

**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
JOINT APPROPRIATIONS SUBCOMMITTEE
Room 220, Senate Building, Utah State Capitol Complex
January 28, 2010**

Members Present: Sen. Jon J. Greiner, Co-Chair
Rep. Eric K. Hutchings, Co-Chair
Sen. Ben McAdams
Rep. Douglas C. Aagard
Rep. Richard A. Greenwood
Rep. Curtis Oda
Rep. Jennifer M. Seelig
Rep. Larry B. Wiley

Members Excused: Pres. Michael G. Waddoups
Rep. Steven R. Mascaro

Staff Present: Steve Allred, Fiscal Analyst
Gary Syphus, Fiscal Analyst
Jennifer Eyring, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Hutchings called the meeting to order at 2:19 p.m. and expressed appreciation to the staff for the Budget and Issue Briefs provided to the committee. He encouraged committee members to utilize the briefs.

Steve Allred, Fiscal Analyst, explained the Issue Brief, "Elected Offices - Federal Funds" which summarizes all the Federal funds that elected offices receive. It also shows the amounts that the state must fund in order to get matching Federal funds. Approval of the base budget includes approval to receive Federal funds.

Governor

Mr. Allred presented the Budget Brief for the Governor's Office. The peak in FY 2008 budget and FTE numbers are a result of the special election held that year. In 2008 and 2009, the Legislature made changes in the law which require municipal judges to be voted on by the whole county and not just the municipality. In 2010, all municipal judges will be on the ballot. Information on each judge must now be included in the Voter Information Pamphlet (VIP), resulting in higher printing costs. Options for the committee to consider are included in the brief.

Joanne Slotnik, Executive Director, Judicial Performance Evaluation Commission (JPEC), stated that the website associated with voting will not be affected until 2012. She also noted that there may not be much information on the municipal judges as performance evaluations have not yet been done.

Mr. Allred reviewed the nonlapsing intent language, fees charged by the Governor's office and the 5% reductions for FY 2011. The Analyst recommends the committee approve the base budget, approve the intent language, approve fees, consider funding the increased costs for the Voter Information Pamphlet, and consider prioritization of the FY 2011 budget reductions.

The budget brief for the Governor's Office of Planning and Budget was reviewed. The budget peak in FY 2010 is from American Recovery and Reinvestment Act (ARRA) funds. Most of ARRA funds that have come to the Governor's Office have been appropriated to various agencies. It is estimated that \$1 million will remain and the Analyst recommends that the Legislature appropriate those funds to the Governor's Office of Planning and Budget for FY 2011. Intent language and 5% budget reductions are included in the brief.

The LeRay McAllister Critical Land Conservation Program was converted from a restricted special revenue fund to a line item in the Governor's Office. The program provides funds to preserve open spaces and agricultural land. State funds are matched with additional grant money. Nonlapsing intent language and 5% budget reductions are included in the brief.

The Governor's Emergency fund was appropriated \$100,000 in FY 2006 for the Governor's use in case of crisis or disaster. These funds have carried over since then with no additional appropriations. The Analyst recommends the adoption of the base budget and nonlapsing intent language.

John Nixon, Director, Governor's Office of Planning and Budget, introduced Sandy Naegle, Finance Manager, Dave Walsh, CCJJ, and Ron Gordon, CCJJ. He thanked Steve Allred for his work on the Budget and Issue Briefs and feels they represented well their situation.

Sandy Naegle, Finance Manager, Governor's Office and GOPB, clarified the one-time funding for the LeRay McAllister Critical Land Conservation Program. The Office will continue with the same budget reduction strategies used in FY 2010 for the coming year. She expressed appreciation for the Chairs' and staff help in authorizing unrestricted nonlapsing revenues. The additional costs for the Voter Information Pamphlet were discussed. They are looking at options to reduce those costs. The Office is requesting a fee change for Notary testing. A new vendor will charge the same amount of \$30.00 for the test, but will then remit \$15.00 back to the Governor's Office. That fee would need to be authorized by the Legislature. It was noted that nonlapsing funds from FY 2010 were withheld from the budget in anticipation of being needed in FY 2011.

Questions concerning printing costs, the LeRay McAllister program, and the Notary fee change were addressed. A handout summarizing the requests from the GOPB were given to the committee.

Commission on Criminal and Juvenile Justice

Steve Allred presented the Budget Brief for the Commission on Criminal and Juvenile Justice. The line item consists of nine programs, but the major funding goes to the CCJJ Commission and Crime Victim Reparations. The majority of funding is Federal funds. The budget increase for FY 2010 comes from ARRA funds and nonlapsing balances. ARRA funding and grants were explained. The Analyst recommends the Legislature appropriate \$6,730,800 of ARRA funds to CCJJ. Intent language and 5% budget reductions are included in the brief.

Ron Gordon, Executive Director, CCJJ, introduced Dave Walsh, Deputy Director, CCJJ, and Mel Wilson, Director, Office of Crime Victim Reparations. The committee received a copy of the CCJJ Annual Report. Mr. Gordon and Mr. Walsh answered committee questions including funding clarifications, and intent language as it relates to ARRA funds. These funds are pass through grants to agencies and are not really part of the CCJJ budget. Rep. Hutchings requested that staff write language to reflect that these are pass through funds.

Auditor

Steve Allred discussed the State Auditor Budget Brief. The State Auditor has not had building block funding for growth, but has absorbed the increased workload. The increase in the budget has come from dedicated credits. It is required that AARA funding is audited, but the cost is paid for with ARRA funds. The Analyst recommends the Legislature appropriate an additional \$265,000 from Dedicated Credits for FY 2011. Intent language and 5% budget reductions are included in the brief.

Auston Johnson, State Auditor, answered questions from the committee. He discussed state and local government programs, and assistance and training for local government and CPA firms who work with local governments. Annual audits are required for any entity with a budget over \$150,000. Audits can also be triggered in response to complaints. In response to a question about the reductions in the Local Government Program, Mr. Johnson stated that they have taken two of the four staff members and moved them to work on the financial audit. If the audit is not done in a timely manner, it can affect the State's bond rating. He expressed concern that the regularity with which they are able to perform those functions required by statute has diminished. The staff has been reduced by five people. He stated that they do not want to cut the Local Government Program, but there are other statutory things they are required to do. Interns were hired to help complete the audit last year.

Attorney General

Steve Allred explained the Attorney General Office Budget Briefs. Agencies that use the Attorney General's Office pay for those services from their budgets. In FY 2010, the Office received one-time funds of \$2,404,000. The Governor has recommended the same amount of one-time funds be appropriated for FY 2011. The Children's Justice Centers have general funding in their budget and that is subject to the reduction. The Prosecution Council is funded by restricted account funds. The Domestic Violence line item is funded from a restricted account. Intent language and Analyst recommendations are included in each brief.

Mark Shurtleff, State Attorney General, introduced Warner Haidenthaller, Budget Director, Kirk Torgensen, Chief Deputy, and John Swallow, Chief Deputy. The committee was given the Attorney General Performance Measurement spreadsheet, a page about the staff working with the Legislature, and an analysis of their budget and personnel. Mr. Shurtleff read the Office mission statement and noted that the Governor has recommended one-time funding for FY 2011. He spoke about the work the office does and the ways they bring money to the State through enforcement of the law. The Office is down 31.45 FTEs. He feels that cuts are getting down to where they will not be able to properly serve the state and mentioned some of the reduced services. Since the Office provides services for all other agencies, when those agency budgets are cut, it affects them also. Questions about mortgage fraud prosecution were addressed. The Children's Justice Centers have reported that they will have to cut training, positions, and transcribing to meet the budget reductions. Some centers have reported a significant increase in the number of children coming in. Mr. Haidenthaller responded to committee questions about funding and personnel costs. The Office believes there are uncollected funds and other money that could be brought into the State if they had enough personnel to address them.

Treasurer

Steve Allred discussed the Budget Brief for the State Treasurer. The line item has four programs: Treasury and Investment, Unclaimed Property, Money Management Council and Financial Assistance. Most of the general funds in the budget are in the Treasury and Investment program. Unclaimed Property is self funding, and the Financial Assistance program is not in use at this time. General Obligation bonds have been issued at low interest rates, including Build America Bonds. These are part of the Federal Stimulus program and will save the State money. Since interest rates are low, the State's investments are affected. Budget reductions will be accomplished through attrition, with one person retired and the workload absorbed by staff members.

Richard Ellis, State Treasurer, stated that they can support the budget reductions. Bond rating agencies monitor the use of one-time funds and cash balances in rating the State. The Treasurer's Office is watching the level of cash balances in the state and suggested caution be used in the continued use of one-time funds.

MOTION: Rep. Greenwood moved to adjourn the meeting. The motion passed unanimously with Pres. Waddoups, Rep. Mascaro and Rep. Wiley absent for the vote.

Rep. Hutchings adjourned the meeting at 4:30 p.m.

Sen. Jon J. Greiner, Co-Chair

Rep. Eric K. Hutchings, Co-Chair